

**Finance Committee
Meeting of October 21, 2016**

Minutes

Present: D. Fecher, G. Ramos

Guests: F. Ainina, D. Bertson, T. Heigel, C. Loranger, D. Kimpton, K. Ralston, S. Sherbet, T. Sudkamp, J. Ulliman

Mr. Fecher called the meeting to order at 8:59 a.m. and reminded the Trustees of their duty to disclose any conflicts of interest and to take the appropriate steps to perform their duties fairly and impartially.

Approval of Affordability and Efficiency Report and Five-Year Efficiency Goals:

Trustee Fecher reported that due to a potential conflict of interest, he would be abstaining on any motion or voting pertaining to the Affordability and Efficiency Report and the Five-Year Efficiency Goals. Since the Finance Committee currently has two members, he requested that the full board review the amended report and decide whether or not to vote on the motion needed.

Mr. Ulliman, vice president of finance and CFO, updated the Board on the amendments and enhancements made to the Affordability and Efficiency Report recently submitted to the state that were requested by the Ohio Department of Higher Education (ODHE).

The Board discussed several of the items on the Five-Year Efficiency Goals as ways to create institutional efficiency savings and resource generation. Under consideration are privatizing parking, opportunities for naming rights, ways to enhance textbook affordability, and a collaboration with Sinclair for a childcare facility.

Approval of Amended Contracts over \$500,000

A contract for \$888,700 to A.H. Sturgill Roofing was approved on July 15, 2016 for replacement of the roof and water damaged insulation on the Russ Engineering Building. The contractors have since uncovered additional water damage, due to leakage, which exceeds the authorized scope of work. Mr. Ulliman presented a resolution requesting an increase of \$227,257 in project expenditures to make the necessary repairs.

Dr. Fall Ainina, Faculty Senate representative to the Finance Committee, inquired about the feasibility of doing a review of contract overruns and factors contributing to additional costs. Mr. Fecher and Mr. Ulliman agreed to meet with Dr. Ainina to further explore the project.

The following motion is presented for approval.

Amendment to Resolution 17-1 dated July 15, 2016

RESOLUTION 17-

WHEREAS, Board Resolution 17-1 approved expenditures in the amount of \$888,700 for repairs to the Russ Engineering Center roof, and

WHEREAS, initial work uncovered conditions necessitating removal and replacement of 16% more square feet of insulation resulting in an increase in project expenditures, therefore be it

RESOLVED that authorization is granted for the accompanying amended contract amount not to exceed \$1,115,957 now before the Board of Trustees be, and hereby are approved.

I offer this Motion:
Do I have a second:
Roll Call vote.

Approval of Contracts \$250,000 - \$499,999

Mr. Ulliman presented a list of contracts with dollar amounts between \$250,000 and \$499,999. No Board action was necessary.

| <u>Vendor</u> | <u>Description of Services</u> | <u>P.O. Amount</u> |
|-----------------------------|---------------------------------------|---------------------------|
| Fujifilm Visualsonics Corp. | Imaging System | \$317,531 |
| U.S. Dept. of Education | Legal Services | \$290,303 |

Board Financial Policy: Understanding University Reserves

Mr. Ulliman introduced the “Claim on Cash and Investments” report and defined the various categories listed. This 5-year trend report was developed in the 1990’s and outlines who has claim on, or the ability to utilize various cash balances. These balances represent the “reserves” of the University. There are several categories of reserves.

“Carryforwards” are the positive or negative net year-end budget balances for each college or business unit. “Allocated” and “Unrestricted” fund balances/deficits are the University’s unrestricted reserves resulting from an excess of revenues over expenditures other than those created by carryforwards. They include funds for purposes such as construction projects, renewal and replacement, and the standard results of operations. “Restricted funds” included money set aside for purchase orders, loan payments, or any other externally committed funds.

This five-year look comparison is helpful in tracking reserve balances with the expectation that reserve balances will increase over previous years.

There was a discussion on whether we need to create a university reserve policy establishing minimum reserve targets.

Financial Performance Measurement and Reporting

The WSU Budget Report and the Budget Variance Report were reviewed by Mr. Ulliman. As mentioned at the last Finance Committee meeting in September, tuition revenue is down due to decreased international student enrollment. Projected Net Debate revenue has been reduced by \$5.5 million due to the cancellation. Wright State has received, or will receive, \$400 thousand in donation payments and \$220 thousand from a state grant towards the Presidential Debate. Compensation expenses are higher due to the payout costs associated with the Voluntary Retirement Incentive Plan (VRIP). Final amounts for State Appropriations will be known next month.

Investment Report

Mr. Steve Sherbet, university bursar and director of treasury services, updated the Board on the September 30, 2016 investment report. The report will be filed with the written records.

The meeting was adjourned at 10:33 a.m.

Respectfully submitted,

Deborah Kimpton